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Kisanmitra Warehousing Private Limited

March 31, 2025

Ratings

Security Facility /	Amount (Rs. crore)	Current Rating	Previous Rating	Rating Action	Complexity Indicator
Long Term Bank Facilities	54.38 (reduced from 57.42)	IVR BBB-; Stable (IVR Triple B Minus with Stable Outlook)	IVR BB+; Negative; ISSUER NOT COOPERATING* (IVR Double B Plus with Negative outlook; ISSUER NOT COOPERATING)	Rating Upgraded and removed from ISSUER NOT COOPERATING category	Simple
Long Term Bank Facilities – Term Loan	-	-	IVR BB+; Negative; ISSUER NOT COOPERATING* (IVR Double B Plus with Negative outlook; ISSUER NOT COOPERATING)	Rating Withdrawn	Simple
Total	54.38 (Rupees fifty-four crore and thirty-eight lakhs only)				

*Issuer did not cooperate; based on best available information

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has removed the rating assigned to the bank facilities of Kisanmitra Warehousing Private Limited (KWPL) from ISSUER NOT COOPERATING category based on adequate information received from the company to review its rating.

The upgrade of the rating assigned to the bank facilities of Kisanmitra Warehousing Private Limited (KWPL) continues to consider the close operational and financial linkages between Kisanmitra Cold Storage Private Limited (KCSPL) and KWPL (commonly referred as Kisanmitra Group). The rating derive comfort from experienced promoters of Kisanmitra Group with long track record in the agro-commodity industry, strategic location and stable business performance. However, these rating strengths are partially offset by exposure to commodity price fluctuation, exposure to agro-climatic risk, presence in a highly competitive



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industry, moderate capital structure with moderate debt protection metrics and working capital intensive nature of operation.

The outlook is stable because of expected stable business performance of the group in the near to medium term with stable financial risk profile supported by its experienced promoters. Infomerics Ratings has simultaneously withdrawn the long-term rating assigned to Term Loan facility of Janata Sahakari Bank Ltd with immediate effect. The above action has been taken based on the 'No Due Certificate' issued by the lender. The rating is being withdrawn in accordance with Infomerics' Policy on Withdrawal of ratings.

Key Rating Sensitivities:

Upward Factors

- Growth in scale of operations with improvement in profitability on a sustained basis.
- Improvement in overall gearing ratio to below 1x and improvement in debt coverage indicators
- Improvement in liquidity marked by improvement in the operating cycle

Downward Factors

- Dip in operating income and/or profitability impacting the debt coverage indicators on a sustained basis
- Moderation in the capital structure with moderation in overall gearing ratio to over 2.5x and/or dip in interest coverage ratio to below 2x
- Elongation in operating cycle leading to deterioration in liquidity profile

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Experienced promoters with long track record in the agro-commodity industry

The promoters of the Kisanmitra group have an extensive experience of around two decades in the agro products industry. The group's operations are primarily overseen by Mr. Hemant Vaidya and Mr. Satish Deshmukh well supported by their sons. Long presence in the industry has led in establishing healthy relationship with its customers and suppliers. Amongst, the customers, the group remains associated with Kirti Group of Maharashtra for over last several years.

Strategic location



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The group entities benefit from their strategic locations. While Latur remains a large-scale soya and pulses producer, it is also located in the central region of the country rendering logistic advantage mainly as far as current and prospective customers are concerned.

Stable business performance

The business performance of the group remained stable as the total operating income (TOI) of the group registered a y-o-y growth of ~8% i.e. from Rs. 459.45 crore in FY23 [FY refers to the period from April 01 to March 31] to Rs. 496.51 crore in FY24 with more demand for Chana in the market. EBITDA margin improved from 4.51% in FY23 to 5.13% in FY24. Similarly PAT margin also improved from 1.88% in FY23 to 1.93% in FY24. In 9MFY25, the group has achieved a revenue of Rs. 349.64 crore. On a standalone basis, KWPL has achieved a revenue of Rs. 308.80 crore in FY24 with a PAT of Rs. 6.53 crore. Moreover, in 9MFY25 the company has achieved a revenue of Rs. 212.00 crore.

Key Rating Weaknesses

Exposure to commodity price fluctuation, agro-climatic risk

Kisanmitra group entities remain vulnerable to volatility in agro commodity prices. Managing the same through adequate pass-through to the customers remains crucial to the profitability and hence the group's cash flows. The group is also susceptible to agro-climatic risk which may have bearing on the performance of the group. Furthermore, the operations of the Kisanmitra group are large dependent of the Kirti group being its primary customer.

Presence in a highly competitive industry

The cold storage and warehousing industry in India are highly fragmented, thus the group faces stiff competition from other established and unorganized players in the industry which may exhibit a bearing on the profitability metrics. Further, the group is highly dependent on Kirti group which indicates a client concentration risk. However, longstanding and established relationships with the Kirti group imparts comfort.

Moderate capital structure with moderate debt protection metrics

The group has subordinated unsecured loan of Rs.20.55 crore, considering which the adjusted tangible net worth stood at Rs. 96.40 crore as on March 31, 2024. The capital structure marked



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by overall gearing has improved from 1.90x as on March 31, 2023, to 1.29x as on March 31, 2024, with decline in debt levels and accretion of profits to reserve. However, the total indebtedness of the group marked by TOL/TNW remained satisfactory at 2.30x as on March 31, 2024. Debt protection metrics of the group marked by interest coverage remained adequate through moderated to 2.03x in FY24 as compared to 2.07x in FY23 due to rise in interest and finance charges. On a standalone basis KWPL has a moderate overall gearing of 1.41x.

Working capital intensive nature of operation

The operating cycle of the group remained continues to remain elongated and stood at 127 days in FY24 as against 112 days in FY23. Operating cycle deteriorated mainly on account of the increase in inventory days to 90 days in FY24 from 73 days in FY23.

Analytical Approach: Combined

For arriving at the rating, INFOMERICS has combined the financials of Kisanmitra Warehousing Pvt Ltd (KWPL) and Kisanmitra Cold Storage Pvt Ltd (KCSPL) commonly referred as Kisanmitra Group as these entities have a common management team, same line of business, operational and financial linkages between the entities including intercompany corporate guarantees extended by KWPL to KCSPL and vice-versa. The list of companies considered for consolidation are given in **Annexure 4**.

Applicable Criteria:

[Rating Methodology for Service Sector Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Criteria of assigning rating outlook](#)

[Consolidation of companies](#)

[Policy of default recognition](#)

[Policy on Withdrawal of Ratings](#)

[Criteria on complexity](#)

Liquidity – Adequate

The liquidity of the group is expected to remain adequate marked by its expected adequate cash accruals against debt repayment obligations in the near term. Further, absence any large



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debt funded capex also provides some comfort. However, the fund based working capital limits of the company remained ~95% utilised indicating limited liquidity buffer.

About the Group

The Latur, Maharashtra based Group is promoted by Mr. Hemant Vaidya and Mr. Satish Deshmukh who are associated with the agricultural industry from last 18 years. The promoters are connected directly/ indirectly to more than 25,000 farmers in the region. The group has setup state of the art facilities for cleaning, material handling, cold processing, cold storage, pulp processing, warehousing facilities for various products such as agro-commodities, food grains, fruits, vegetables etc.

About the Company

Incorporated on July 18, 2010, Kisanmitra Warehousing Pvt Ltd (KWPL) is a Latur, Maharashtra based company promoted by Mr. Hemant Vaidya and Mr. Satish Deshmukh. The company was first established as a partnership firm in the year 2003 which was eventually converted to a private limited company. The company is engaged in providing storage facilities for the agro commodities in Latur, Maharashtra and is currently running two warehouses, one with 10,000 MTPA and other with 15,000 MTPA. Apart from this, the Company also has open shed facility with the capacity of around 15,000 MTPA. Thus, the total installed capacity of warehousing is 40,000 MTPA.

Financials (Standalone):

	(Rs. crore)	
For the year ended/ As on*	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	268.41	308.80
EBITDA	14.26	18.81
PAT	5.70	6.53
Total Debt	93.02	96.60
Tangible Net Worth	47.14	53.66
Adjusted Tangible Net Worth	47.14	68.71
EBITDA Margin (%)	5.31	6.09
PAT Margin (%)	2.11	2.11
Overall Gearing Ratio (x)	1.97	1.41
Interest Coverage (x)	2.02	1.99

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information: Nil



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Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2024-2025)				Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
					March 04, 2025	Jan 18, 2024	Nov 03, 2022	Sep 06, 2021
1.	Term Loan/ GECL	Long Term	9.38	IVR BBB-; Stable	IVR BB+; Negative; ISSUER NOT COOPERATING	IVR BBB-; Stable	IVR BBB-; Stable	IVR BBB-; Stable
2.	Cash Credit	Long Term	45.00	IVR BBB-; Stable	IVR BB+; Negative; ISSUER NOT COOPERATING	IVR BBB-; Stable	IVR BBB-; Stable	IVR BBB-; Stable

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About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.



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For more information and definition of ratings please visit www.infomerics.com.

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Annexure 1: Instrument/Facility Details

Name of Facility/ Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	-	FY26	0.66	IVR BBB-; Stable
GECL				FY29	8.72	IVR BBB-; Stable
Cash Credit	-	-	-	-	45.00	IVR BBB-; Stable

Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/Len-Kisanmitra-Warehousing-31mar25.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis:

Name of Company	Extent of Consolidation
Kisanmitra Warehousing Pvt. Ltd. (KWPL)	Full
Kisanmitra Cold Storage Pvt. Ltd. (KCSPL)	Full

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.